HON'BLE SRI JUSTICE V. ESWARAIAH

WRIT PETITION NOS.767 OF 2007 AND 2589 OF 2007
DATE: 20.02.2007

W.P.NO. 767 OF 2007

Between:

Arnirekula Venkataramaiah S/o Venkatappaiah aged about 50 years, Occ. Employee and one another

…Petitioners

AND

1. The Andhra Pradesh State Financial Corporation, Warangal Branch, represented by its Senior Branch Manager, beside District Central Library, Balasamudram, Hanumkonda, Warangal District and one another.

….Respondents

W.P.NO. 2589 OF 2007

Between:

Gandi Yadagiri S/o Pullaiah

…Petitioner

AND

2. The Senior Branch Manager, A.P. State Financial Corporation, Warangal Branch and one another

….Respondents

HON'BLE SRI JUSTICE V. ESWARAIAH

WRIT PETITION NOS. 767 AND 2589 OF 2007

ORAL ORDER:

The second respondent by name Madgula Somaiah S/o Agaiah is the owner of the premises bearing No. H.No. 6-1-109/16/B and 6-1-109/16/B/1 situated at Kankar Board of Mahabubabad Village, and the said property was mortgaged in favour of the first respondent and obtained a loan of Rs. 2,16,500/- on 31.1.1991 under the name and style of M/s Reddy Enterprises. For which, the second respondent was the promoter for requisition of a tractor.

As per the terms of the sanction, the second respondent has to hypothecate the tractor and also has to offer collateral security worth Rs. 1,00,000/- and accordingly he has mortgaged the said property admeasuring an extent of 508.3/4 sq. yards situated at Door No. 6-1-109, Koumabadu Mahabubabad Village and Mandal, Warangal District by executing equitable mortgage in favour of the first respondent.

It appears that the second respondent was unable to repay the

instalment amounts along with interest on the ground that the tractor was missing. Whether the tractor was missing or there was any mischief on the part of the second respondent or some others, the first respondent is nothing to do with the missing of the said tractor, as they are entitled to recover the loan sanctioned by them.

It is stated that though the said property was under mortgage, the second respondent sold the said property in favour of the petitioners on 26.11.1998. As the mortgage of the property was contrary to the hypothecation agreement/mortgage deed by depositing the title deeds, the first respondent has proceeded to sale the said property, as they were given as a collateral security. It is stated that having realized that the said property was already under mortgage, the petitioners herein came forward to pay the said amount due and payable by the second respondent and proposed for the one time settlement.

Accordingly, petitioners in W.P.No. 767 of 2007, are directed to pay the balance proposed one time settlement of Rs. 2,53,000/- on or before 28th March 2007. The petitioner in W.P.No. 2589 of 2007 paid a sum of Rs. 1,00,000/- on 13.2.2007 and agreed to pay the balance proposed amount of two lakhs on or before 30th March 2007 and after receiving the said sum of Rs. 1,00,000/-, they have promised the petitioners to pay the balance proposed amount of OTS on or before 30th march 2007 and on such payment, the documents which were given as collateral security in respect of the said property will be given back. The first respondent has delivered the possession of the property in favour of the petitioners by conducting panchanama

agreeing to give back the title deeds of the said property after paying the balance amount.

In view of the aforesaid admissions made by the respondents in their counters, I am of the opinion that no further orders are required to be passed in both the Writ Petitions.

Accordingly, both the Writ Petitions are dismissed. No order as to costs.

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V. ESWARAIAH, J

Date: 20.02.2007
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